

RECORDATION NO.

25281-A

FILED

NOV 03 '04

2-39 PM

SURFACE TRANSPORTATION BOARD

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URBAN A. LESTER

November 3, 2004

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Commercial Security Agreement, dated as of October 28, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Schedule #9 Full Service Master Lease Agreement which is being filed with the Board under Recordation Number \_\_\_\_\_.

The names and addresses of the parties to the enclosed document are:

Bank: The Bank of Edwardsville  
330 West Vandalia  
Edwardsville, IL 62025

Grantor: Midwest Railcar Corporation  
3 Professional Park Drive, Suite B  
Maryville, IL 62062

Mr. Vernon A. Williams  
November 3, 2004  
Page Two

A description of the railroad equipment covered by the enclosed document is:

50 covered hopper railcars bearing MWCX reporting marks and road numbers to be determined.

A short summary of the document to appear in the index is:

Memorandum of Commercial Security Agreement

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT**

**BETWEEN**

**THE BANK OF EDWARDSVILLE  
("LENDER")**

**AND**

**MIDWEST RAILCAR CORPORATION  
("GRANTOR")**

**October 28, 2004**

Memorandum of Commercial Security Agreement made and entered into as of October 28, 2004, by and between The Bank of Edwardsville, an Illinois corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Grantor").

**W I T N E S S E T H:**

To secure all obligations of the Grantor under a certain Commercial Security Agreement dated as of October 28, 2004 (the "Security Agreement"), and that certain Promissory Note dated October 28, 2004, Grantor hereby assigns to Lender all of Grantor's rights, title and interest in, the railcars set forth and described on the Schedule of Railcars attached hereto (the railcars on the aforementioned Schedule of Railcars shall hereinafter be called the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Grantor's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Grantor on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain Schedule #9 dated June 9, 2004 which incorporates by reference that Full Service Master Lease Agreement dated effective December 11, 2003 by and between Grantor (as Lessor) and Badger Mining Corporation (as Lessee), and any additional Equipment Riders and schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Grantor's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Grantor including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Grantor under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

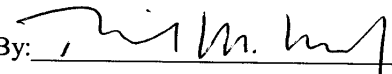
THE BANK OF EDWARDSVILLE, as Lender

By: 

Title: Vice President

Date: 10-28-04

MIDWEST RAILCAR CORPORATION,  
as Grantor

By: 

Title: President & CEO

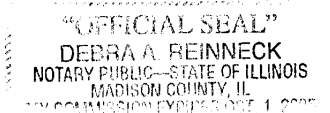
Date: 10-27-04

STATE OF Illinois )  
COUNTY OF Madison ) ss.

On this 28<sup>th</sup> day of October 2004, before me personally appeared William D. Barlow to me personally known, who being by me duly sworn, says that he is the Vice President of The Bank of Edwardsville, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

Debra A. Reinneck  
NOTARY PUBLIC

My commission expires: 10/1/2005

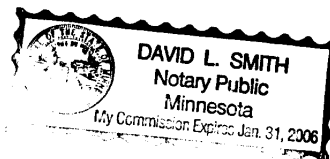


STATE OF MN )  
COUNTY OF Sherburne ) ss.

On this 28<sup>th</sup> day of October, 2004, before me personally appeared Richard M. Murphy III, to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

David L. Smith  
NOTARY PUBLIC

My commission expires: 1-31-06



### SCHEDULE OF RAILCARS

Up to Fifty (50) 100-ton, covered hopper railcars with sizes ranging from 2900 – 4750 c.f., with the following marks and numbers:

MWCX300170	MWCX460143
MWCX300171	MWCX460144
MWCX300172	
MWCX300173	
MWCX300174	
MWCX300175	
MWCX300176	
MWCX300177	
MWCX460004	
MWCX460056	
MWCX460113	
MWCX460114	
MWCX460115	
MWCX460116	
MWCX460117	
MWCX460118	
MWCX460119	
MWCX460120	
MWCX460121	
MWCX460122	
MWCX460123	
MWCX460124	
MWCX460125	
MWCX460126	
MWCX460127	
MWCX460128	
MWCX460129	
MWCX460130	
MWCX460131	
MWCX460132	
MWCX460133	
MWCX460134	
MWCX460135	
MWCX460136	
MWCX460137	
MWCX460138	
MWCX460139	
MWCX460140	
MWCX460141	
MWCX460142	